

DEPARTMENT OF FOOD AND AGRICULTURE

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**MILK POOLING BRANCH
POLICY AND PROCEDURAL LETTER NO. 12.2**

CLASS 1 ROUTE RETURNS

This letter supersedes Policy and Procedural Letter No. 12.1, dated August 23, 1982.

Route returns of Class 1 products must be properly documented in order to be deducted from Class 1 Sales. Proper documentation includes:

- Daily records of Class 1 returns showing the types of products and unit sizes.
- The daily records should be accumulated into a monthly summary and converted to total pounds of product and fat.

The disposition of route returns should be reported as follows:

- a. If the returns are utilized in a lower class product, such as ice cream, the pounds of product and fat may be reclassified to the applicable class. Do not include nondairy additives or fortifiers.
- b. If the returns are disposed of as animal feed, they may be reported as Class 4a. Do not include nondairy additives or fortifiers.
- c. If the returns of Class 1 finished products are not reused in a lower class or disposed of as animal feed, they become a part of overall loss.
- d. Route returns of Class 1 products originally purchased from another pool handler should not be deducted from the Class 1 sales reported to the pool on Line 41, MPB Form 800, unless a corresponding deduction is made from Line 35, Receipts of Packaged Goods.

The disposition of returned Class 1 products must be documented to support the reclassification to a lower class usage. A lack of proper documentation will require that they be reported in overall plant loss. Proper documentation includes:

- Daily records of Class 1 returns reused in other products or disposed of an animal feed.
- The daily records should be accumulated into a monthly summary and converted to total pounds of product and fat.

Route returns of other classified products reported in Classes 2,3,4a or 4b cannot be deducted from the original usage.

Jack C. Parnell
Director

By: Glenn Gleason

Dated: April 25, 1988